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BEFORE THE ARIZONA CORPORATION C

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Arizona Corporation Commission

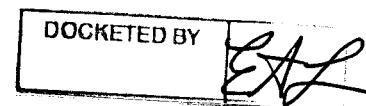
DOCKETED

FEB 18 2014

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

ORIGINAL



IN THE MATTER OF THE APPLICATION OF
NACO WATER COMPANY, LLC FOR A
PERMANENT INCREASE TO ITS WATER
RATES.

DOCKET NO. W-02860A-13-0399

RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On November 20, 2013, Naco Water Company, LLC. ("NWC" or "Company") filed with the Arizona Corporation Commission ("Commission") an Application for a rate increase.

On December 11, 2013, NWC filed an Amended Rate Application.

On December 20, 2013, the Commission's Utilities Division ("Staff") notified the Company that its application was found not to have met the sufficiency requirements in Arizona Administrative Code ("A.A.C.") R14-2-103, and that the Company would have until January 6, 2014, to cure the indicated deficiencies.

On December 27, 2013, Staff requested on behalf of the Company for an extension until January 24, 2014, to respond to the insufficiency findings. The request was granted by Procedural Order dated January 3, 2014.

On January 24, 2014, NWC filed a Response to Staff's Letter of Deficiency.

On February 10, 2014, Staff notified the Company that its application was sufficient pursuant to A.A.C. R14-2-103, and classified NWC as a Class C utility.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall commence on **September 4, 2014, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, **Room 222, 400 West Congress, Tucson, Arizona 85701.**

1 IT IS FURTHER ORDERED that any **direct testimony (except that related to rate design**
2 **and cost of service)** and associated exhibits to be presented at hearing on behalf of **Staff** or
3 **Intervenors** shall be reduced to writing and filed on or before **June 25, 2014**.

4 IT IS FURTHER ORDERED that any **direct testimony related rate design and cost of**
5 **service** and associated exhibits to be presented at hearing on behalf of **Staff and Intervenors** shall be
6 reduced to writing and filed on or before **July 2, 2014**.

7 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be
8 presented at hearing by the **Company** shall be reduced to writing and filed on or before **July 25,**
9 **2014**.

10 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be
11 presented by the Staff and/or intervenors shall be reduced to writing and filed on or before **August**
12 **15, 2014**.

13 IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be
14 presented at the hearing by the **Company** shall be reduced to writing and filed on or before **August**
15 **28, 2014**.

16 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
17 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is
18 scheduled to testify.

19 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-
20 105, except that all motions to intervene must be filed **on or before June 4, 2014**.

21 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
22 regulations of the Commission, except that through **July 31, 2014**, any objection to discovery
23 requests shall be made within 7 days¹ of receipt and responses to discovery requests shall be made
24 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and
25 responses shall be made in 7 days;¹ the response time may be extended by mutual agreement of the
26 parties involved if the request requires an extensive compilation effort.

27
28 ¹ "Days" means calendar days.

1 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
 2 discovery, any party seeking discovery may telephonically contact the Commission's Hearing
 3 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a
 4 request, a procedural hearing will be convened as soon as practicable; and that the party making such
 5 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the
 6 hearing provide a statement confirming that the other parties were contacted.²

7 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by
 8 the Commission within 20 days of the filing date of the motion shall be deemed denied.

9 IT IS FURTHER ORDERED that any responses to motions shall be filed within five days of
 10 the filing date of the motion.

11 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date
 12 of the response.

13 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
 14 this matter, in the following type size, form and style with the heading in no less than 14 point bold
 15 type and the body in no less than 10-point regular type:

16 **PUBLIC NOTICE OF HEARING ON THE**
 17 **RATE APPLICATION OF**
 18 **NACO WATER COMPANY, LLC**
Docket No. W-02860A-13-0399

19 On November 20, 2013, Naco Water Company, LLC. ("NWC" or "Company") filed
 20 an application with the Arizona Corporation Commission ("Commission") for
 21 approval of a rate increase. The proposed changes to rates would result in an increase
 22 in annual revenues of \$50,083, or 19.63 percent. The increase will vary between
 23 customer classes and among individual consumers within a class depending on usage.
 Under the rates proposed by the Company, the monthly bill for a residential customer
 with a 5/8 x 3/4" meter, using 4000 gallons, would increase \$9.96, from \$52.60 to
 \$62.56.

24 The Commission's Utilities Division Staff has not yet made a recommendation
 25 regarding the Company's rate proposal, and the Commission will determine the
 26 appropriate rate relief to be granted based on the evidence of record in this proceeding.
 The Commission is not bound by the proposals made by the Company, Staff, or any
 intervenors and, therefore, the final rates approved in this docket may be lower or

27
 28 ² The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations
 before seeking Commission resolution of the controversy.

higher than the rates described above.

How You Can View or Obtain a Copy of the Rate Proposal

If you have any questions concerning how the Company's rate proposal will affect your bill or have other substantive questions about this application, you may contact the Company at: **[COMPANY SHOULD INSERT NAME, ADDRESS, TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER CONTACTS CONCERNING THE APPLICATION]**. Copies of the application and proposed tariffs are available at the Company's offices and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona and its Tucson offices, 400 West Congress, Suite 218, Tucson, Arizona, and on the internet via the Commission website (www.azcc.gov/) using the e-docket function.

Public Hearing Information

The Commission will hold a **hearing** on this matter beginning **September 4, 2014, at 10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson, Arizona, 85701.

Public comments will be taken at the beginning of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. W-02860A-13-0399 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on how to e-mail comments to the Commission, go to <http://www.azcc.gov/divisions/utilities/forms/PublicCommentForm.pdf>. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or (520) 628-6550.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than **June 4, 2014**, and a copy of the motion to NWC or its counsel and to all parties of record. Your motion must contain the following:

1. Your name, address, and telephone number and the name, address and telephone number of any party upon whom service of documents is to be made, if not yourself.
2. A short statement of your interest in the proceeding (e.g., a customer of the Company, etc.).
3. A statement certifying that you have mailed a copy of the motion to intervene to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before June 4, 2014. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Commission's website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to present sworn evidence at the

1 hearing and to cross-examine other witnesses. However, failure to intervene will not
2 preclude any interested person or entity from appearing at the hearing and providing
3 public comment on the application or from filing written comments in the record of
4 the case.

5 **ADA/Equal Access Information**

6 The Commission does not discriminate on the basis of disability in admission to its
7 public meetings. Persons with a disability may request a reasonable accommodation
8 such as a sign language interpreter, as well as request this document in an alternative
9 format, by contacting the ADA Coordinator Shaylin Bernal, E-mail
10 SABernal@azcc.gov, voice phone number 602/542-3931. Requests should be made
11 as early as possible to allow time to arrange the accommodation.

12 IT IS FURTHER ORDERED that the Company shall **mail** to each of its customers a copy of
13 the above notice by **April 15, 2014**, and shall cause the above notice to be published at least once in a
14 newspaper of local circulation in its Arizona service territory, with **publication** to be completed no
15 later than **April 15, 2014**.

16 IT IS FURTHER ORDERED that the Company shall file certifications of mailing and
17 publication as soon as practicable after they have been completed.

18 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and
19 publication of same, notwithstanding the failure of an individual customer to read or receive the
20 notice.

21 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
22 Communications) applies to this proceeding and shall remain in effect until the Commission's
23 Decision in this matter is final and non-appealable.

24 IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the
25 Rules of the Arizona Supreme Court with respect to practice of law and admission pro hac vice.

26 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
27 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
28 Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
to appear at all hearings and procedural conferences, as well as all Open Meetings for which the
matter is scheduled for discussion, unless counsel has previously been granted permission to
withdraw by the Administrative Law Judge.

1 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
2 pursuant to Rule 6(a) or (3) of the Rules of Civil Procedure.

3 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
4 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

5 DATED this 13th day of February, 2014.

6
7
8 
JANE L. RODDA
ADMINISTRATIVE LAW JUDGE
9

10
11 Copies of the foregoing mailed
12 this 15th day of February, 2014 to:

13 Naco Water Company, LLC
14 PO Box 85160
15 Tucson, AZ 85754

16 Steven Wene
17 MOYES SELLERS & HENDRICKS LTD
18 1850 N. Central Ave, Suite 1100
19 Phoenix, AZ 85004
20 Attorneys for Naco Water Co. LLC

21 Janice Alward, Chief Counsel
22 Legal Division
23 ARIZONA CORPORATION COMMISSION
24 1200 W. Washington Street
25 Phoenix, Arizona 85007
26
27
28

Steven Olea, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington Street
Phoenix, Arizona 85007

COASH & COASH, INC.
COURT REPORTING
1802 N. 7th Street,
Phoenix, AZ 85006

By: 

Jane L. Rodda